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Report Categories:

Fishery Products

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Report Highlights:

Salmon Production is expected to fall 50 % in 2009

Executive Summary:

The salmon industry main production centers have been plagued by ISA and algae bloom outbreaks which is expected to reduce output significantly in 2009 and the years to come.

General Information:

Author Defined:

Since late in 2007 an increasing number of the Chilean Salmon Industries main production centers have been hit with ISA (Infectious Salmon Anemia) outbreaks and during the last summer months (January through March 2009) with an algae bloom that has killed a large number of fish.

Chile's salmon industry has been badly affected by the ISA virus which is lethal to Atlantic salmon. This resulted in salmon exports to go down 30 percent during the first months of 2009 when compared to a year earlier. The global financial crisis has also closed access to credits and producers need to find measures to combat ISA. In addition, the natural phenomenon, algae bloom, has caused an important number of deaths at salmon production centers and the magnitude is still being evaluated by the Government's Natural Fishing Service (SERNAPESCA). Algae bloom kills fish via asphyxia.

Although the ISA virus only affects Atlantic salmon, industry sources have indicated that it also affects production of all species because production centers can not be used as intensively as they were in the past. They have indicated that most likely the Industry will not reach their previous to ISA outbreak record production levels reached in 2007, when salmon exports exceeded US\$2.3 billion. For 2009 the industry expects total exports to fall to less than US\$1.8 billion. Industry sources admitted that at the beginning of the development of the salmon production industry producers and government officials had little to no knowledge on environmental factors that could affect production and as a result they intensified and overcharged production areas with pens and fish propitiating the development of diseases like caligus sp. and ISA virus. Caligus sp. Is a parasite that lives on the skin and fins as well as in the buccal and branchial cavities. This parasite feeds on the epithelial cell around the attachment areas, causing ulcerations and secondary bacterial infections.

According to Sernapesca's last report, 12 production centers still show outbreaks of ISA , a figures considerably smaller than during mid of last year when the infected centers were 24. The health authorities stressed that less centers are infected mainly because there are a lower number of production centers operating. Industry sources have indicated that production centers are presently operating at 20 percent of their capacity.

Another consequence of the health issues in the salmon industry is employment. Over 6,000 workers have already been laid off. An additional 8,500 workers are expected to lose their jobs during the next few months. A total of 15,000 workers are estimated to lose their jobs since the outbreak of the ISA virus begun. These numbers of workers correspond to almost 50 percent of the direct hires in the production and processing centers and total unemployment in the industry could be much larger as the supplying and service industry related to the salmon production will also be affected.